

Congress of the United States

Washington, DC 20510

August 05, 2021

The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, D.C. 20515

We write to you today regarding the Infrastructure Investment and Jobs Act. As the bill is currently drafted, "Section 80603 Information Reporting for Brokers and Digital Assets" will significantly impact the future of American innovation within the blockchain and cryptocurrency industry. Additionally, the provision may lead to a number of unintended consequences that could violate the privacy rights of everyday Americans.

As supporters of American financial innovation, we believe it is paramount that the United States propose clear legislation to encourage growth and development of blockchain networks. We fear that the current proposal does the opposite.

The expanded definition of what is considered a broker under section 6045(c)(1) of the Internal Revenue Code of 1986 raises several issues. The first being that the broad definition is vague and will likely cause confusion and disagreement regarding which entities must disclose their transactions. The second issue is in its most literal reading, this new definition could apply to intermediaries such as software developers, hardware developers, crypto miners, internet service providers, Decentralized Finance, and others that are not involved in the actual brokerage of digital assets.

As drafted, this provision threatens to push a rapidly growing industry off American shores. This is not only an economic issue but a national security concern. With countries like China rapidly developing this technology, we cannot afford to fall behind. We must do more to encourage the growth of financial innovation in America.

That is why we support the bipartisan Wyden-Lummis-Toomey Amendment which removes the obligation of crypto network participants to report on customer data and information that they do not have access to. The amendment does not impact the reporting obligations placed on brokers and traders of digital assets

We urge our colleagues in the Senate to support this bipartisan amendment and ensure innovation continues to thrive in America.

Sincerely,



Rep. Ted Budd
Member of Congress



Rep. Tom Emmer
Member of Congress



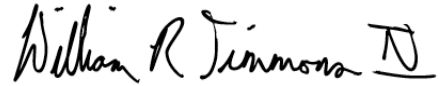
Rep. Darren Soto
Member of Congress



Rep. Anthony Gonzalez
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Rep. Warren Davidson
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Rep. William Timmons
Member of Congress